

## **NOTICE OF REMOVAL**

Defendant LaFrance Corporation ("LaFrance"), pursuant to 28 U.S.C. §§ 1441 and 1446, hereby removes to this Court an action styled *Robert C. LaDue v. LaFrance Corporation*, Cause No. 366-2629-06, 366<sup>th</sup> Judicial District Court, Colin County, Texas.

- 1. Removal is proper because this Court has diversity jurisdiction pursuant to 28 U.S.C. § 1332. First, all parties are diverse. Plaintiff is and was at the time this suit was commenced a Texas resident and citizen. LaFrance is and was at the time this suit was commenced a Pennsylvania corporation with its principal place of business in Pennsylvania. Thus, diversity of citizenship exists between Plaintiff (a citizen of Texas) and LaFrance (a citizen of Pennsylvania).
- 2. Second, the amount in controversy exceeds the jurisdictional requirements. Although Plaintiff contends that the amount in controversy is less than \$75,000, the value of the declaratory relief sought by Plaintiff exceeds that amount. *See Ray Mart, Inc. Stock Building Supply of Texas, LP*, 435 F.Supp.2d 578, 585 (E.D. Tex. 2006) ("When the claim is one for declaratory relief, the amount in controversy is determined by the value of the right to be

determined by the value of the right to be protected or the extent of the injury to be prevented.").

- 3. Plaintiff seeks a declaration that (a) materials given to him during his employment with LaFrance did not constitute proprietary information or trade secrets, (b) he was not a fiduciary of LaFrance, (c) he is not bound by a non-compete agreement, and (d) he is not "encumbered or restricted in any way as to any person or entity he may solicit and that any such impairment would be an unreasonable restraint of trade pursuant to Texas law." Pl. Orig. Pet., p. 4.
- 4. The value of the declaratory relief sought by Plaintiff far exceeds \$75,000. The declarations Plaintiff seeks, if granted, would enable him to solicit all of LaFrance's customers with impunity. LaFrance's sales to the customers in LaDue's territory exceeded \$2 million in 2005 and \$1.3 million for the first seven months of 2006. Thus, the value that Plaintiff seeks (i.e., the right to solicit these customers at-will) exceeds \$75,000. The amount in controversy requirement is met.
- 5. Copies of all process, pleadings, and orders served upon LaFrance, as well as the state court docket sheet, are attached pursuant to 28 U.S.C. § 1446(a). Included in Exhibit "A" are all other materials required to be filed by Northern District Local Rule 81.1.
- 6. This notice of removal is being filed within 30 days of LaFrance's receipt of Plaintiff's Original Petition.

WHEREFORE, Defendant LaFrance Corporation hereby removes the above-styled cause to this Court.

Respectfully submitted,

Robert J. Wood, Jr.

Texas State Bar. No. 00788712

James W. Holbrook, III

Texas State Bar. No. 24032426

**HUGHES LUCE LLP** 

1717 Main Street

**Suite 2800** 

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#### and

Richard S. Meyer (application for admission to be submitted)
Donald D. Gamburg (application for admission to be submitted)
BLANK ROME LLP
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(215) 569-5500 (Office)
(215) 569-5699 (Telecopy)

Attorneys for Defendant LaFrance Corporation

# **CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing was served on Jeremy F. Rosenthal, The Law Offices of Jeremy F. Rosenthal, 207 E. Virginia St., Suite 210, McKinney, Texas 75069, by hand delivery on this 22nd day of August, 2006.

# IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

ROBERT C. LADUE	§	
Plaintiff,	§ § 8	
v.	§ CIVIL ACTION NO.	
LAFRANCE CORPORATION	\$ \$ 8	
Defendant.	§	

# **INDEX OF DOCUMENTS FILED IN STATE COURT**

**Document Date Filed** 

Petition August 21, 2006



CIVIL DOCKET

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NO. 266	-2629-06
§ 8	IN THE DISTRICT COURT
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LAFRANCE CORPORATION Defendant.

ROBERT C. LADUE

Plaintiff,

V.

OF COLLIN COUNTY, TEXAS

# ORIGINAL PETITION FOR DECLARATORY JUDGMENT

#### TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Robert C. LaDue, Plaintiff herein, filing this Petition for Declaratory Judgment, pursuant to the Texas Uniform Declaratory Judgments Act, Chapter 37 of the Texas Civil Practice and Remedies Code, and would show the Court the following:

## I. DISCOVERY CONTROL PLAN LEVEL

Plaintiff intends that discovery be conducted under Discovery Level 2.

## II. PARTIES AND SERVICE

- A. Plaintiff, Robert C. LaDue brings this action individually. Plaintiff resides in Collin County, Texas.
- B. Defendant LaFrance Corporation, a Nonresident Corporation, engages or has engaged in business in this state, but does not maintain a regular place of business or a designated agent for service of process. This lawsuit arises out of the business done in this state and to which said Defendant is a party. Therefore, under Section 17.044 of the Texas Civil Practice and Remedies Code, substituted service on Defendant should be made by serving the Secretary of State of Texas, Statutory Documents Section, Citations Unit, P.O. Box 12079, Austin, Texas 78711-2079, and 08 AUG 21 AM 3: 05 forwarded to Defendant's home or home office at One LaFrance Way, Concordville, Pennsylvania

COLLY TEXAS

19331. Service of said Defendant as described above can be effected by certified mail, return receipt requested.

#### III. JURISDICTION AND VENUE

- A. The subject matter in controversy is within the jurisdictional limits of this court. Plaintiff seeks only declaratory relief and in any event the amount in controversy is below \$74,999.99.
- B. This court has jurisdiction over Defendant LaFrance Corporation, because said Defendant purposefully availed itself of the privilege of conducting activities in the state of Texas and established minimum contacts sufficient to confer jurisdiction over said Defendant, and the assumption of jurisdiction over LaFrance Corporation will not offend traditional notions of fair play and substantial justice and is consistent with the constitutional requirements of due process. Plaintiff would show that Defendant LaFrance Corporation had continuous and systematic contacts with the state of Texas sufficient to establish general jurisdiction over said Defendant. Plaintiff would also show that the cause of action arose from or relates to the contacts of Defendant LaFrance Corporation to the state of Texas, thereby conferring specific jurisdiction with respect to said Defendant. Furthermore, Plaintiff would show that Defendant LaFrance Corporation engaged in activities constituting business in the state of Texas as provided by Section 17.042 of the Texas Civil Practice and Remedies Code, in that said Defendant recruits or has recruited Texas residents for employment inside or outside this state.
- C. Venue in Collin County is proper in this cause under Section 15.002(a)(1) of the Texas Civil Practice and Remedies Code because all or a substantial part of the events or omissions giving rise to this lawsuit occurred in this county.

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#### IV. FACTS

A. Robert C. LaDue ("LaDue") was an employee of the LaFrance Corporation ("LaFrance") beginning in 1989 and ending with his resignation on August 15, 2006. LaFrance by and through its divisions (insofar as this case is concerned) are wholesale suppliers of advertising specialties to car dealerships. Essentially, LaFrance independently manufactures or purchases promotional items such as key chains and license-plate frames from other manufactures, and in turn, sells these items to car dealerships. With respect to Mr. LaDue's job, LaFrance's business is no more complex than being a common "middle-man" of advertising specialties. Because of the simple nature of this business practice, LaFrance simply has no proprietary information or trade secrets with respect to sales and distribution.

B. Mr. LaDue was employed as a regional sales representative for LaFrance in Texas and would office from his home in Collin County, Texas. LaDue worked with the Benmatt division of LaFrance and would deal with car dealerships in Collin County, in Texas, and in the region. LaDue would solicit the appropriate purchasers at dealerships to discuss, negotiate, and attempt to sell them promotional items. LaDue had no connection with the manufacturing divisions of LaFrance. At no time did LaFrance or Mr. LaDue engage in any practice, technique that was proprietary in nature, nor was Mr. LaDue ever privy to any information that could be regarded as trade-secrets. Further, no employment contract existed between the parties such that LaDue was at all times an "at-will" employee. No written agreement supported by independent and/or ancillary consideration exists between the parties such that LaDue cannot be impaired or encumbered in any way with respect to his ability to contact or solicit any potential customer – whether a presently a buyer of LaFrance or not.

C. Upon Mr. LaDue's resignation on August 15, 2006, LaFrance made several allegations and/or demands of LaDue. Those demands included in relevant part; (1) written assurance that LaDue will not solicit LaFrance's existing customers; and (2) that LaDue was not entitled to keep copies of customer and prospective customer information. Further, LaFrance made veiled threats and/or allegations including but not limited to; (1) that LaDue's knowledge of products supplied to customers, prices customers pay, and other "similar information" constituted trade secrets and proprietary information; and (2) that LaDue breached "duties" and "Obligations" they insist that he owed to LaFrance, regardless of LaDue's at-will status, because they allege he was diverting business.

## V. RELIEF REQUESTED

There exists a genuine controversy between the parties herein that would be terminated by the granting of declaratory judgment. Plaintiff therefore requests that declaratory judgment be entered as follows:

- A. Declaration that LaDue was at all times an "at will" employee of LaFrance and not bound by any valid contract supported by consideration according to Texas law.
- B. Declaration that LaDue was never bound by any non-compete agreement in compliance with Tex.Bus.Com.C. § 15.50 or any other common law provision or relevant portion of the Business and Commerce Code. Further Plaintiff requests this Court declare that Plaintiff LaDue not be encumbered or restricted in any way as to any person or entity he may solicit and that any such impairment would be an unreasonable restraint of trade pursuant to Texas law.
- C. Declaration that information, products, tactics, or strategies of any kind employed by LaFrance and conveyed to LaDue, or customers of LaFrance, whether tangible or intangible, did not constitute proprietary information or trade secrets as defined by Texas law.

D. Declaration that at no time during LaDue's employment with LaFrance did a fiduciary relationship arise as between the parties as defined by Texas law and that LaDue did not owe any heightened duty to LaFrance above and beyond what would customarily be required of "at will" employees.

#### VI. ATTORNEY'S FEES

Pursuant to Section 37.009 of the Texas Civil Practice and Remedies Code, request is made for all costs and reasonable and necessary attorney's fees incurred by Plaintiff herein, including all fees necessary in the event of an appeal of this cause to the Court of Appeals and the Supreme Court of Texas, as the Court deems equitable and just.

## **PRAYER**

WHEREFORE, PREMISES CONSIDERED, Plaintiff prays that Defendant be cited to appear and answer herein, and that on final trial hereof declaratory judgment be granted as requested herein and Plaintiff be awarded costs and reasonable and necessary attorney's fees, and for such other and further relief that may be awarded at law or in equity.

Respectfully submitted,

Jeremy F. Rosenthal

Texas Bar No. 24029807

The Law Offices of Jeremy F. Rosenthal

207 E. Virginia St., Ste. 210

McKinney, Texas 75069

Tel. (214)724-7065

Fax. (214)592-0095

Attorney for Plaintiff

Robert C. LaDue

# **United States District Court Northern District of Texas**

3-06 CV 1518-N

# Supplemental Civil Cover Sheet For Cases Removed From State Court

This form must be attached to the Civil Cover Sheet at the time the case is filed in the U.S. District Clerk's Office. Additional sheets may be used as necessary.

#### 1. State Court Information:

Please identify the court from which the case is being removed and specify the number assigned to the case in that court.

<u>Case Number</u>

366th Judicial District Court, Collin County, Texas 366-2629-06

## 2. Style of the Case:

Please include all Plaintiff(s), Defendant(s), Intervenor(s), Counterclaimant(s), Crossclaimant(s) and Third Party Claimant(s) still remaining in the case and indicate their party type. Also, please list the attorney(s) of record for each party named and include their bar number, firm name, correct mailing address, and phone number (including area code.)

Party and Party Type Atto	rney(s)
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Robert C. Ladue (Plaintiff)

Jeremy F. Rosenthal

State Bar. No. 24029807 The Law Office of Jeremy F.

Rosenthal

207 E. Virginia Street

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Lafrance Corporation (Defendant) Robert J. Wood

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and

Richard S. Meyer (application for admission to be submitted) Donald D. Gamburg (application for admission to be submitted) BLANK ROME LLP One Logan Square Philadelphia, PA 19103-6998 215.569.5500

3.	Jury Demand:		
	Was a Jury Demand made in State Court?	☐ Yes	☑ No
	If "Yes," by which party and on what da	te?	
	Party		Date
4.	Answer:		
	Was an Answer made in State Court?	☐ Yes	☑ No
	If "Yes," by which party and on what da	te?	
	Party		Date
5.	Unserved Parties:		
	The following parties have not been served at t	he time this case	was removed:
	<u>Party</u>	Reason(s	) for No Service
	None at this time.		
6.	Nonsuited, Dismissed or Terminated Parties	<b>:</b>	
	Please indicate any changes from the style on the change:	e State Court pa	pers and the reason for that
	<u>Party</u>	Reason	
	N/A		

# 7. Claims of the Parties:

The filing party submits the following summary of the remaining claims of each party in this litigation:

Plaintiff Plaintiff seeks a declaratory that Defendant did not give secrets and that Plaintiff v fiduciary of Defendant.	him trade

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I. (a) PLAINTIFFS		J-		DEFENDANTS										
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. ,	m Name, Address, and Teleph	none Number)		Attorneys (If Known) ROBERT J WOOD, JR										
JEREMY F R	OSENTHAL es of Jeremy F Rosenthal			JAMES W HOLBROOK, III Hughes & Luce, LLP										
	a Street, Suite 210, McKinney,	TX 75069	T	1717 Main, Street, Suite 29 (214) 939-5500										
II. BASIS OF JURISDICT	rion (Place an "X" in One Box	(Only)	ill. C	CITIZENSHIP OF PRINCIPAL (For Diversity Cases Only	PARTIES (Place an "X" in On and One Box f									
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120 Marine	310 Airplane	362 Personal Injur		☐ 610 Agriculture ☐ 620 Other Food & Drug	☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal	400 State Reapportionment 410 Antitrust								
<ul><li>☐ 130 Miller Act</li><li>☐ 140 Negotiable Instrument</li></ul>	315 Airplane Product Liability	Med Malprad  365 Personal Injur		625 Drug Related Seizure of Property 21 USC 881	28 USC 157	430 Banks and Banking 450 Commerce								
150 Recovery of Overpayment	320 Assault, Libel &	Product Liabil		630 Liquor Laws	PROPERTY RIGHTS	460 Deportation								
& Enforcement of Judgment	Slander	368 Asbestos Pers		☐ 640 R R & Truck	820 Copyrights	470 Racketeer Influenced and								
<ul> <li>☐ 151 Medicare Act</li> <li>☐ 152 Recovery of Defaulted</li> </ul>	330 Federal Employers' Liability	Injury Produc Liability	t	☐ 650 Airline Regs ☐ 660 Occupational	830 Patent 840 Trademark	Corrupt Organizations  480 Consumer Credit								
Student Loans	340 Marine	PERSONAL PRO	OPERTY	Safety/Health	•	490 Cable/Sat TV								
(Excl Veterans)  153 Recovery of Overpayment	345 Marine Product Liability	370 Other Fraud 371 Truth in Lendi	na	690 Other	SOCIAL SECURITY	■ 810 Selective Service ■ 850 Securities/Commodities/								
of Veteran's Benefits	350 Motor Vehicle	380 Other Persona		710 Fair Labor Standards	861 HIA (1395ff)	Exchange								
☐ 160 Stockholders' Suits ☐ 190 Other Contract	355 Motor Vehicle	Property Dam 385 Property Dam		Act ☐ 720 Labor/Mgmt Relations	862 Black Lung (923) 863 DIWC/DIWW (405)(g))	875 Customer Challenge								
195 Contract Product Liability	Product Liability  360 Other Personal	Product Liabil	-	730 Labor/Mgmt Reporting	863 DIWC/DIWW (405)(g)) 864 SSID Title XVI	12 USC 3410 890 Other Statutory Actions								
196 Franchise	Injury			& Disclosure Act	865 RSI (405(g))	891 Agricultural Acts								
REAL PROPERTY  210 Land Condemnation	CIVIL RIGHTS 441 Voting	PRISONER PETI		740 Railway Labor Act 790 Other Labor Litigation	FEDERAL TAX SUITS  870 Taxes (U.S. Plaintiff	892 Economic Stabilization Act 893 Environmental Matters								
220 Foreclosure	442 Employment	Sentence		791 Emp. Ret Inc	or Defendant)	894 Energy Allocation Act								
230 Rent Lease & Ejectment 240 Torts to Land	443 Housing/ Accommodations	Habeas Cor	pus:	Security Act	871 IRS—Third Party 26 USC 7609	895 Freedom of Information Act								
245 Tort Product Liability	444 Welfare	535 Death Penalty	,		20 030 7003	900 Appeal of Fee								
290 All Other Real Property	445 Amer w/Disabilities-	540 Mandamus &	Other		ļ	Determination Under								
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\"	Cite the U.S. Civil Statute u 28 USC §§ 1332, 1446	ınder which you are fi	iling (Do r	ot cite jurisdictional statute	s unless diversity):									
VI. CAUSE OF ACTION	Brief description of cause	Plaintiff sooks dools	raten	ament that inter alia haves	not given trade secrets by Def	ondant								
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VII. REQUESTED IN	CHECK IF THIS IS A CI	LASS ACTION	fees and		OHECK YES only	if demanded in complaint.								
COMPLAINT: VIII. RELATED CASE(S)	UNDER F.R C P 23	IUDGE			JURY DEMAND	Yes 🛮 No								
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